Reforms infertilizer subsidy

1085. SHRI PREM CHAND GUPTA:
SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Group of Ministers, headed by the Chairman of the Planning Commission, has finalized a plan of Reforms, which would do away with the massive subsidy of over Rs. 140 billion to the fertilizer industry;

(b) if so, the details of recommendations made by the Group and by when the detailed policy on urea/fertilizers would be made public;

(c) whether it would be done in a phased manner, spread over five years, commencing in 2003, and would further prevent the agricultural sector from global competition; and

(d) if so, how Government hope to protect the farmers from China, European Union and USA, with these reforms?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (d) A Group of Ministers (GOM) was constituted to examine and give its report on recommendations of Expenditure Reforms Commission (ERC). Government is in process of formulating new pricing policy for urea units keeping in view the recommendations of GOM.

Notices by NPPA Against Overcharging

1086. SHRI KHAN GHUFRAN ZAHIDI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what system is being followed by NPPA for monitoring the prices of de-controlled drugs;

(b) whether it is a fact that notices are being sent to companies for overcharging on non-scheduled drugs;

(c) if so, the names of the companies and the medicines and the prices being charged and the criteria for sending notices;

(d) whether NPPA is resorting to favouritism in sending the notices; and

(e) upto what level the increase in prices is justified by NPPA?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA): (a) and (e) The National Pharmaceutical Pricing Authority (NPPA) regularly examines the movement of prices of non-Scheduled formulations on the basis of information available to it from various sources. Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc.

(b) No, Sir.

(c) and (d) Do not arise in view of reply to (b), as above.

Closure of HFCL and FCIL

1087. SHRI DIPANKAR MUKHERJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether, following the Union Government's decision dated the 5th September, 2002 to close down HFCL and FCIL Plants, permission has already been sought from the competent authority as per the provisions of Industrial Disputes Act, 1947, for closure of HFCL, FCIL plants by the respective companies;

(b) if so, the details thereof and whether the employees' organisations have been given ample opportunity of being heard; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (c) In view of over-riding effect of the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) over the provisions contained in the Industrial Disputes Act, 1947, Hindustan Fertilizer Corporation Ltd. and Fertilizer Corporation of India Ltd. do not require permission under Industrial Disputes Act, 1947 to implement the decision of the Government regarding their closure.